



**Aalborg Universitet**

**AALBORG UNIVERSITY**  
DENMARK

## **Social housing in Portugal and Denmark**

Alves, Sonia; Andersen, Hans Thor

*Publication date:*  
2015

*Document Version*  
Peer reviewed version

[Link to publication from Aalborg University](#)

### *Citation for published version (APA):*

Alves, S., & Andersen, H. T. (2015). Social housing in Portugal and Denmark: a comparative perspective. Paper presented at European Network for Housing Research, ENHR, Lisboa, Portugal.

### **General rights**

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- ? Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- ? You may not further distribute the material or use it for any profit-making activity or commercial gain
- ? You may freely distribute the URL identifying the publication in the public portal ?

### **Take down policy**

If you believe that this document breaches copyright please contact us at [vbn@aub.aau.dk](mailto:vbn@aub.aau.dk) providing details, and we will remove access to the work immediately and investigate your claim.

# SOCIAL HOUSING IN PORTUGAL AND DENMARK: A COMPARATIVE PERSPECTIVE

**Sónia Alves**

Instituto de Ciências Sociais, Universidade de Lisboa / Danish Building Research Institute, Aalborg University, Av. Professor Aníbal de Bettencourt, 9, 1600-189 Lisboa, Portugal

Email: [sonia.alves@ics.ulisboa.pt](mailto:sonia.alves@ics.ulisboa.pt)

**Hans Thor Andersen**

Danish Building Research Institute, Aalborg University, A.C. Meyers Vænge 15, Bygning: null, 3219 2450 København SV Danmark

Email: [hta@sbi.aau.dk](mailto:hta@sbi.aau.dk)

## Abstract

*The social housing sector has become increasingly residualized and segregated in Portugal and Denmark. Whilst there is a considerable difference between the systems in these two countries, as regards issues of management and governance, dominant rent regimes (cost rent, social rent) or eligibility (universal, targeted), etc., they share similar problems, such as, on some estates, an increasing concentration of disadvantaged families. This research will attempt to show how actions at the national and local level have shaped the problem at the local level.*

Keywords: social housing, non-profit rental, Portugal, Denmark, Copenhagen, Lisbon

## Theoretical Framework

Contrasts between national and regional economic and political structures explain the wide range of differences in economic and housing inequalities across countries (Bengtsson & Ruonavaara 2011; Alves, 2015). Historically, in countries in which governments have been heavily involved in development of affordable social housing, the quality and the size of the housing stock tends to be higher and levels of social segregation<sup>1</sup> tend to be relatively low (Zwiers 2014, 6). The contrary has been observed in societies with low levels of welfare regulation, socio-economic inequality tends to be higher (Van Gent & Musterd 2013), and the least affluent groups, in terms of the possession of economic, social, and educational resources, tend to concentrate in the most derelict sectors of the housing stock (Musterd & Ostendorf 2012).

Whilst access to affordable housing of a good quality is a fundamental need and right, housing policies reveal diverse commitments regarding issues of equality and redistribution. For example, whilst in Denmark or Sweden social democratic ideals of universalism and equality have supported a large and good quality stock of non-profit rental housing; in more neoliberal countries such as the UK or Portugal, in which the benefits of the free market and private ownership are more emphasized, governments have promoted a smaller social housing sector restricted via rigorous targeting to households in need.

---

<sup>1</sup> The concept of social segregation used in this paper refers to the spatial separation or physical distance between different social groups across the residential structure. In the less attractive housing tenures and areas in the city, such a process tends to result in a concentration of socially and economically disadvantaged households. Whilst there are different types of social segregation such as demographic, socio-economic, and ethnic spatial kinds, they tend to be inter-related. In this paper we emphasize mainly the socio-economic causes and processes of social segregation.

In countries with a relatively small share of social housing in which eligibility is based upon means-tested income thresholds, the rate of segregation is by definition high (Abramsson & Borgegård 1998, 161). In countries in which there is no income ceiling for the allocation of families in the non-profit sector, levels of social segregation have been historically lower. However, in these two groups of countries increasing tenure segmentation has been observed with more affluent households moving out of the rental sector into owner occupation and low-income households concentrated in some parts of these sectors (non-profit/social housing).

The transfer of asset ownership from the state to sitting tenants has been identified as a factor that has effectively increased the residualization of a social housing sector that increasingly consists of the lowest quality dwellings in the most deprived neighborhoods (cf. Kleinhans & van Ham, 2013; Ronald 2013), leading to the promotion of home-ownership.

In Denmark and Sweden it has been claimed that the dismantling of the public housing sector through the conversion of public housing to cooperative housing<sup>2</sup> has reduced the mixed character of rental housing and perpetuated the marginalization of the sector. On this issue, Andersen and Winther (2010, 698) explain that “local and central government have pushed an aggressive policy that has removed substandard housing in the inner cities in favour of expensive dwellings for the creative class and other members of the successful middle class”, pushing out low-income groups, immigrants, students, singles, and others with below-average income who have been forced to find housing on the periphery of the metropolitan region.

In a paper on patterns of social segregation in Copenhagen, Andersen et al. (2000) emphasize two main interlinked causes of segregation. On the one hand, the basic socio-economic causes of segregation rooted in socio-economic inequalities explain how “the most attractive parts tend to be invaded by the wealthier citizens”: while “increasing land and property prices force low-income groups to find habitation in less expensive parts of the city” (Andersen and Winther 2010: 698) On the other hand, there are housing policies that regulate the spatial distribution of housing tenures. At the national level, housing policy determines to what extent policy makes the housing market more segmented, i.e. makes some tenures more attractive to high-income groups and adjusts other tenures to low-income groups. At the local level, housing policies through physical planning measures can control types of tenure and sizes of sites for all new housing, affecting not only the composition of the local housing market but also the mix of future inhabitants in the municipality. For example, local governments are able to promote or to prevent the construction of social housing, as they have to give permission and to provide a portion of the finance.

As Taşan-Kok et al. (2013) note, “rich and poor do not always live in separated neighbourhoods, they even might live in a quite mixed situation” (Taşan-Kok et al. 2013: 22), it remains true that often housing conditions reflect economic circumstances especially where low levels of state intervention are combined with high levels of informality in access. This is, for example, the case in some neighbourhoods of the historic centre of Lisbon where: “exclusive and luxurious houses can be observed alongside pockets of misery with little or no relationship between them” (Salgueiro, 2001: 185). Such fragmentation is not only an expression of socio-economic inequality, but, as explained by Salgueiro (2001, 184), is also a form of segregation related less to zoning (which characterizes the large housing estates built in the peripheries), and more to processes of urban renewal conducted by capitalist interests.

### *Objectives and country selection*

The aim of this paper is to offer a brief review of the differences between the Danish and Portuguese housing markets, particularly in regard the rental market the non-profit and social housing sector. The paper also aims to provide an overview of the main changes that have taken place in these systems and

---

<sup>2</sup> for more details see Holmqvist and Turner, 2014.

how they have affected processes of social segregation between various socio-economic groups and housing tenures in Lisbon and Copenhagen.

This paper presents the first preliminary results of an on-going comparative research project conducted in Denmark and Portugal<sup>3</sup> with the purpose of discussing, on the one hand, patterns and causes of segregation and on the other, policies and initiatives that have included strategies of social mixing in the context of housing and urban policy.

The selection of Portugal and Denmark was made on the basis that the comparison of the Nordic and southern European countries has been largely neglected in international housing studies, and that the large differences between these countries make this comparison worthwhile. In fact, Portugal and Denmark lie at opposite ends of a spectrum of welfare regimes and housing systems, Portugal is characterized by modest levels of economic redistribution and high levels of economic inequality, Denmark by high levels of de-commodification in the domain of housing (Alves, 2015; Kemeny, 1995). In this context, the capitals - Copenhagen and Lisbon - concentrate the main socio-economic and urban problems relating to housing affordability and inequality.

### *Methodological considerations*

As Abramsson and Borgegard (1998) observe, “some methodological problems arise when aiming to do an international comparative study”, regarding, for example, comparability (definitions) and underlying explanations (idem: 154). In fact, there is no common definition of social housing across countries and there are many dimensions that distinguish its provision, such as tenures, providers, beneficiaries or funding arrangements.

Given the analytical scope of this paper, we decided not to use the ‘inclusive’ concept of ‘social housing’ to cover “all housing where rents are not set by market criteria and allocations are made by administrative criteria” (Ronald 2013, 2), but kept the concepts of ‘private non-profit rental’ for the case of Denmark and of ‘social housing’ for the case of Portugal. The decision to use both concepts rather than a ‘catch-all’ concept, as it were, can be justified on several grounds. Given the legal nature of the providers (private without the purpose of making profit in Denmark, public in the case of Portugal), the rent regime, criteria, and mechanisms of allocation<sup>4</sup> and the lack of accuracy sometimes related to the use of concepts<sup>5</sup>.

The methodology used in this research involved literature reviews of official documents and other publications on policy and housing programmes in both countries and in-depth interviews with official, and academics who have been involved in policy-making, implementation, or evaluation of housing policies in Denmark and Portugal (n=20).

Following a short introduction to the main characteristics of the Danish and Portuguese housing markets, with brief reference to the welfare regimes in which they are embedded (Alves 2015), in the next section the main features of the rental systems of both countries are discussed with reference to Kemeny’s (1995) typology of dualist/integrated rental systems. The paper will then discuss evidence

---

<sup>3</sup> The project ‘High Hopes for Mixed Communities’ which is supported by the Fundação para a Ciência e Tecnologia (SFRH/BPD/75863/2011), in cooperation with the Danish National Building Research Institute of Aalborg University and the Instituto de Ciências Sociais, Universidade de Lisboa.

<sup>4</sup> Whilst in Denmark this part of the rental market is open to all, not restricted to incomes; in Portugal this tenure is restricted for the poor.

<sup>5</sup> An issue that is implicit in Ronald’s observation: “Council housing is the vernacular phrase used in the UK to describe public rental housing owned by local municipalities. It is often used to describe all types of social rental housing, even though most is owned or run by non-profit agencies these days” (Ronald 2013, 2). It is worth recalling, with Malpass (2011), that, contrary to the 1980s when local authorities were the dominant housing providers of social housing in Britain (owning over 90% of the stock), nowadays half of the housing stock is owned by non-municipal providers (Malpass 2011, 306).

of increasing social segregation between various socio-economic groups and housing tenures in Lisbon and Copenhagen.

## **Housing markets and housing policy in Portugal and Denmark**

Housing policy in Portugal and Denmark has been remarkably different. Whilst developments in Portugal can be characterized in terms of privatization, lack of quality and residualization of the social housing sector, in Denmark, where there has been relative equality of subsidy for rental and owner-occupied housing and the rental sector has been promoted through non-profit associations.

### *The Case of Portugal*

Owner-occupancy is by far the dominant tenure model in Portugal and covers all strata. Households who cannot access the social housing tenure or private rental sector tend to opt for home-ownership with the support of family and community. The high level of owner-occupancy in Portugal - equivalent to 76% of total housing stock - must be seen in the context of late industrialization, urbanization, and democratization (Alves, 2015). There we may discern two main phases of housing policy. First, a laissez-faire phase of residualized activity until the 1980s marked by the construction of illegal settlements, particularly in the suburbs of major cities. This is a process that began in the 1960s, with a strong rural exodus to the cities along the coast line and deepened from mid-70s following the independence of Portuguese colonies in Africa (Mozambique, Angola etc.) when hundreds of thousands of people returned to Portugal. Second, there is a pro-owning phase characterized by fiscal subsidization of owner-occupied housing and subsidized mortgage loans. Here it should be noticed that, whilst until the mid-1990s, the percentage of owner-occupiers with mortgages represented only 14% of total ownership; in 2001 the figure was already 32% and in 2011 43% of all homeowners, a total equivalent to 2,923,280<sup>6</sup> (INE 2013).

In the Portuguese housing system, the private and social rental markets are strictly separated. The social housing sector, representing only a 3 % share of the stock (INE, 2013), is restricted to the very poor; whilst the private rental sector comprises a total of 20% of the stock. Many poor households who cannot find a place in the social housing sector occupy the less attractive parts of the private rental housing market<sup>7</sup>.

In Portugal the private rental sector is made up of two different sub-sectors in terms of contract dates, rent values and housing conditions. First, there is a sub-market made up of new rental contracts (established after 1991), mostly unregulated and with associated high rents. Second, there is a sub-sector of old contracts, with indefinite terms, that has been subject to heavy regulations - the so-called first-generation rent regulation<sup>8</sup>, which has maintained rents at very low levels. In 2011 old contracts still represented 35% of all private rental contracts in Portugal and 15% of all rented accommodation still carries rents equal, or less than, 35 euros per month.

---

<sup>6</sup> During this period, the household debt relating to house purchase, expressed as a percentage of GDP, expanded, and in 2005 Portugal was already one of the EU countries with the highest burden of private debt in total GDP. In late 2007 the total amount of household debt represented 129% of disposable income, well above the figure of 90% in 2001.

<sup>7</sup> Evidence presented by Kemp (2011, 1019) shows that in the UK in 2007, the odds of private tenants being poor were about the same for social housing tenants and more than three times that for owner-occupiers. In Portugal, in 2011, these distinctions represent 29% of tenants and 16% of owner-occupiers. It worth noticing that in 2008 the figures were respectively 22% and 17%, thus lower for renters (EU-SILC).

<sup>8</sup> Described by Haffner et al (2012, 40) as: "strict rent regulation that often freezes all private rental sector rents. At best, it allows limited yearly rent increases that are lower than the inflation rate".

## *The Case of Denmark*

In Denmark the home- ownership rate is significantly below the Portuguese, (equivalent to 46% of total housing), and home-ownership is restricted to a large extent to middle- and high-income earners in the largest cities, but the dominant form of housing in smaller towns and rural districts. Although at moderate level, rental housing has increased its size over the last decades.

The Danish housing system provides a typical example of an integrated rental system, in which non-profit and profit provision are about equally balanced (Kemeny 1995), and the non-profit rental sector competes with the profit rental sector. In Denmark, because the non-profit and the profit sector compete over the same market segments, the standards of housing stock for middle-class and lower income groups tend to be of high quality (Borg 2014, 77).

## **Social housing in Portugal: Main problems and challenges**

The share of social and/or non-profit housing within the rental sector, which, according to Harloe (1995), is a way of measuring the extent to which housing is de-commodified or provided in a subsidized manner, is not the only factor explaining the different rates of social segregation across countries<sup>9</sup> (Abramsson & Borgegård 1998; Alves, 2010 ).

Additionally, the structure of tenures, the quality of the housing stock, the level of rent subsidies<sup>10</sup> (which widens the choice of housing for low- income families) are important factors regarding the distribution of social classes among and within tenures. Another crucial factor is the allocation mechanisms that are the set of eligibility and allocation rules which determine who has access to social housing.

In this section we open with an overview of the rationales and modes of organization of social housing in Portugal, followed by a discussion of the main impacts and challenges in the municipality of Lisbon.

## *The growth and decline of social housing in Portugal*

In Portugal there are about 120,000 social housing dwellings, representing 3.3% of total housing stock of permanent residences. This is public property owned and managed by municipalities or by municipal housing companies, while a small share of this housing stock<sup>11</sup> is owned by the institute of Housing and Urban Renewal (IHRU), a government-run institute responsible for supporting and implementing government policy in the domain of housing.

In the 1980s a massive stock transfer took place between the central government, municipalities (n=16,435), and sitting tenants (n=10,213), which would have been greater if it were not for the municipalities refusing to accept the transference of a low quality housing stock (with an average age of 28 years in 2007) made up of low rents and vulnerable families without the allocation of more resources to the local level (Guerra et al 2008, 45).

---

<sup>9</sup> In general, the larger the proportion of households living in social housing, the more social mix in the housing stock.

<sup>10</sup> This denotes subsidies for housing expenses which may be granted upon application depending upon household composition, income, and housing. Rent subsidies may be granted to tenants in leased accommodation and to communal dwellings where the tenant is not a pensioner, whereas pensioners' rent subsidies may be granted to recipients of social pension benefits who live in leased accommodation, cooperative dwellings, owner-occupied dwellings, or communal dwellings (Statistical Yearbook 2013 Denmark).

<sup>11</sup> equivalent to 12,550 dwellings in 2007.

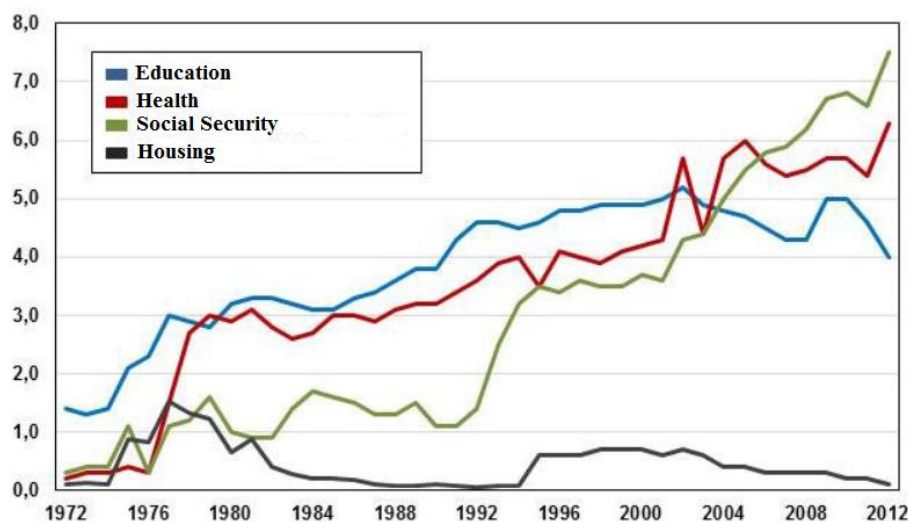
The average monthly national IHRU rent is 30€, in Lisbon, where the institute owns about 2,600 dwellings, it is of 76€ per month, while in Porto where the IHRU owns about 2,025 dwellings, it is 61€ per month.

Regardless of the type of contract and landlord, the average rent of a social housing dwelling in Portugal is 60€ per month in 2012 (INE, 2013).

The social housing in Portugal is relatively new: around 60% built since 1980 and 24% since 2000, and it is relatively concentrated in the municipalities of Lisbon and Porto<sup>12</sup>.

Analysis of levels of public expenditure on social services as a share of GDP between 1972 and 2012 (Figure 1) shows that housing has been a distinctly weak pillar of public welfare provision in Portugal for four decades while expenditure in health care, education, and social security as a percentage of GDP has increased rapidly over the last decades<sup>13</sup>.

Figure 1 – Public expenditure in education, health, social security, and housing as a share of GDP from 1972 to 2012.



Source: adapted from Santos et al (2014, 9)

Regarding the aims, beneficiaries, and models of production, different periods may be identified in the history of social housing in Portugal.

1. *The authoritarian regime* [1933–74]. Praising the “the little house, independent, inhabited and fully owned by the family” as opposed to what he called “big phalansteries, or colossal buildings for housing workers”<sup>14</sup>, Salazar promoted a residual percentage of social housing chiefly for ideological reasons. From 1935 to 1965, O Programa de Casas Económicas (1933) built detached houses with gardens for the working class people with secure income who were the main supporters of the regime. The houses were paid through monthly rents and over a period of 25 years, eventually becoming the property of the family. Among others programs, o Programa de Renda Económica (1959-1969) promoted the construction of new towns aiming at the consolidation of the urban fabric in Lisbon and Porto, but the large majority of low-income householders in Portugal were not able to afford these houses and turned to the illegal market or self-built. In the largest cities, this led to widespread illegal construction both in the suburbs and in the inner cities, where overcrowded dwellings with a lack of

<sup>12</sup> this municipalities concentrate respectively, 11.4% and 14.4% of the existent social housing stock in Portugal

<sup>13</sup> it is worth to mention with Alves (2015, 14) that in 1980, Portugal had one of the lowest expenditure levels in per cent of GDP in the EU, since then it has increased rapidly over the last decades with exception to housing that remained one of the least decommodified domains of public intervention in Portugal

<sup>14</sup> Salazar (1933) *Conceitos económicos da nova Constituição*, Discursos, Vol. 1

basic amenities (electricity, sanitation, or piped water), meant very poor housing conditions and the rapid degradation of buildings. In 1966 there was an estimated housing shortage of 500,000 dwellings. This led to the creation, in 1969, of the Fundo de Fomento da Habitação (Housing Development Fund), an agency which would be widely criticized for its practices in the direct promotion of housing. This was because it supported the expansion of Lisbon towards the periphery through the development of mono-functional housing projects which did not include public services, transportation, and other amenities. The Fund also promoted the segregation of social classes across the urban structure.

2. *After the 'Carnation Revolution' of April 25, 1974* increased expenditure on housing (Figure 1) was related to several programs. Among others was the SAAL created in 1974 to support urban renewal in situ by purchasing / occupation of land and self-construction. This bottom-up programme supported by architects and other activists encountered political and administrative resistance owing to issues of land occupation and funding and was dismissed in 1976 citing limited results. In addition, support for housing cooperatives yet the lack of land at reasonable prices, the diminishing purchasing power of middle and lower classes, and high interest rates, which limited the relevance of this programme to low-income households.

3. *The Special Rehousing Programme (1993)*. In the 1980s very high housing deficits persisted in Portugal, with large shanty towns in the metropolitan areas of Lisbon and Porto of poor and unsanitary condition<sup>15</sup>. Pressured by the municipalities of Lisbon and Porto, in 1993 the central government launched a massive programme of social housing construction specifically targeting people living in shanty towns. O PER (The Special Rehousing Programme) enabled large-volume construction within a short time and in limited areas (Pinto and Guerra 2013, Cachado, 2013). Between 1995 and 2002, 50 000 housing units were built, most of them on large low-cost housing estates, often located in suburban or peripheral areas of Lisbon and Porto. Whilst the programme provided alternative solutions to the construction of new buildings, either through the acquisition and rehabilitation of homes or via vacant buildings (e.g. city centre), this expensive option was used less. The programme led to 'unwanted' social and urban problems, namely, as emphasized by Pinto and Guerra (2013), the rise of dense neighbourhoods, lacking equipment and infrastructure, and related to the spatial concentration of individuals with similar traits of vulnerability in peripheral territories. This model not only created neighbourhoods characterized by physical and social homogeneity, but also deepened trends of social and spatial segregation across the city and processes of stigmatization. Over recent decades, many of these housing estates have degenerated into problem areas.

4. *Stock transfer and alienation of public housing stock*. Between 1980 and 2007, the IHRU reduced its housing stock from 39,197 to 12,549 units by transferring it to municipalities (42%) and through sales to sitting tenants (26%). The strategy to increase home-ownership among lower income households has also been followed by right and left wing municipalities with apparently similar motivations, as a mechanism for reduction municipalities' debt and to increase revenue for housing rehabilitation. Whilst rightwing municipalities tend to advocate the benefits of reduced state intervention, public debts, and increased family responsibilities, municipalities dominated by leftwing parties tend to emphasize that poor households also have the right to own a property and that home-ownership in Portugal represents an important safety net in periods of income loss (unemployment, retirement, etc.). During this period, the proportion of sales varied between municipalities. In the case of Lisbon, 25% of the total housing stock<sup>16</sup> was transferred to sitting tenants (which represented 7,666 units). In total council housing was reduced from 30,934 in 2011 to 23,268 units in 2015, and the following excerpts illustrate the motivation behind the decline of council housing in Lisbon.

"The higher the percentage of housing sold, the greater the mixing of the population of various socio-economic status. In practice, after 30 or 40 years that large housing estate will create its own identity in the fabric of the city [...] The sale to sitting residents has significant impacts in the living environment and the neighborhood, because who acquires tends to value its property, contributing very significantly

---

<sup>15</sup> at that time it is estimated in 42,000 barracas (huts) affecting about 162,000 people.

<sup>16</sup> that since 1995 is managed by the municipal company Gebalis.



to the maintenance and self-esteem of neighborhoods” (Helena Roseta, former housing officer at Lisbon City Hall)

It is worth noting that neighborhoods with no sales are generally the most recent quarters, where there is still a burden as a result of financing contracted by the municipality for its construction, for (example, neighbourhoods constructed by the end of the 1990s). In terms of housing regimes rather than social composition, the progressive transformation of social housing in mixed neighbourhoods, that is, those largely inhabited by the poor or disadvantaged has brought new challenges. On the one hand, the residualization of social housing has created new problems, hence a larger concentration of low income households in the worst part of the rental stock; the sale of the most attractive units at discount rates to tenants in more stable economic situation, increasing the percentage of non-payment in turn threatening the economic viability of housing companies.

In official reports, the impact created by the residualization of social housing has begun to be recognized from the perspective of decreased revenues and public budget cuts, factors which make it more difficult to ensure the financial viability of some neighbourhoods:

“As a result of sales to tenants, there are many housing estates now divided in terms of housing regimes so that the public authority, who previously fully owned them and now only hold some housing units, can no longer intervene on its own initiative to carry out maintenance and improvement work. A significant proportion of these buildings is of very large dimension, the administration of the condominiums does not work efficiently, and many of those who bought them are not paying fees for periodic maintenance” (IHRU 2015, 45)

In sum, the system of social housing in Portugal has been organized in such a way that it has withdrawn its social and economic support base. The residualization of the sector has created the over-representation of low- income families in neighbourhoods where problems of social stigmatization tend to increase; and where low-income earners are unable to maintain their houses. In many neighbourhoods poor maintenance has reinforced wider processes of physical and social degradation and urban decline that already seems difficult to reverse. The lack of urban quality, economic sustainability, and governance are the main problems of such areas.

In the following section, we examine the case of Lisbon in order to discuss the strategic responses that the municipality has promoted to tackle these and other problems, such as population loss and increase of dilapidated houses and in city centre locations. It is worth mentioning that, in the national context, this socialist municipality has stood out positively by promoting citizen involvement/ practices of public participation on various scales and with various groups in strategic matters of housing and urban regeneration policies. Lisbon has promoted transparent and explicit housing policy putting all relevant documents available on line as an object of open public discussion<sup>17</sup>.

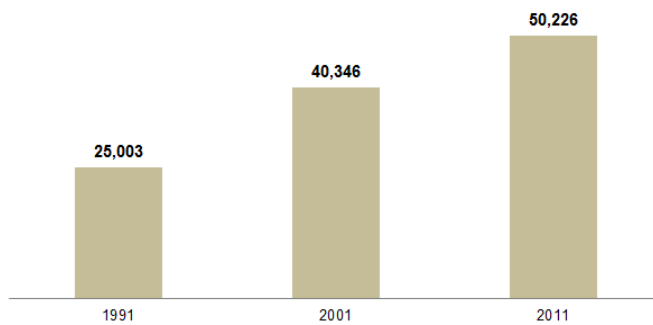
### *The case of Lisbon*

After a phase marked by huge efforts to eradicate illegal settlements and the construction of new housing, a new phase of housing policy emphasizes the rehabilitation of buildings, the support for the rental sector and the intervention in critical areas. On this issue, it is worth recalling that the number of vacant houses increased in the municipality of Lisbon over recent decades (Figure 2). From 2001 to 2011, the number of vacant units increased by about 10,000 units, and out of a total of 50,225 houses in 2011, only 10,903 was available for rent. A considerable percentage of this vacant housing stock is made up of old and derelict dwellings constructed before 1919 associated with very low rents.

---

<sup>17</sup> Unlike Lisbon, the municipality of Porto has showed lack of understanding for the rules of transparency by neglecting citizen participation as well basic obligation to provide insight to the process of housing and urban regeneration policies (interviews, statistical information, policy documents). See more in studies by Alves (2010).

Figure 2 – Vacant houses in Lisbon in 1991, 2001, and 2011.



Source: Census 2011 (INE, 2013)

As we have seen, the municipality owns a stock of social housing comprising 25.000 units. Part of this stock was constructed recently and is included in social housing estates. The rest are houses geographically disperse across the city.

In April 2007 the stock of social housing dispersed across the city comprised 3,246 units, but only 60% of these houses were occupied. Part of this stock was the result of processes of expropriation, donations, purchases, etc. The 40% which was occupied was associated with an average monthly rent of € 35.48. It is worth recalling that 43% of this stock had a monthly rent less than €30. It is unsurprising then that about a third of total housing stock owned by the municipality was in poor condition.

Given the lack of resources for the rehabilitation of buildings, the local authority decided to follow a strategy that consisted of selling the most degraded buildings through the Programa Reabilita Primeiro Paga Depois / [Rehabilitate First Pay after]; and beginning the re-qualification of less degraded buildings in order to sell or rent them. In the case of the latter, the aim was to intervene in the rental market creating affordable options for the middle class, with values 30% lower than those in the open rental market (Programa rendas condicionadas / Conditioned Rent Programme). This is a challenge, considering the effect that austerity policies have had in the reduction of financial resources available for rehabilitation, as well as the debt burden of Portuguese society.

As regards the critical areas, the municipality has carried out several forms of public participation in the effort to establish more effective reforms of local administration with third sector organizations. An innovative programme in this regard is the BIP/ZIP programme Local Partnerships created in 2011 with a modest budget (€1M per year) to target extra resources on geographic areas identified as experiencing the severest disadvantages. Focused upon these areas, identified by the Local Housing Program as areas of priority intervention, this programme has enabled the promotion of participatory methods to decide what to do in each area. Using a system of 'orçamento participativo' (participatory budget), the programme has funded numerous projects of urban regeneration and social inclusion. The projects are entirely designed and implemented by a partnership of local networks with a maximum of €50,000 per application.

### **Non-profit' housing in Denmark: Main problems and challenges**

The non-profit sector in Denmark has grown throughout its existence; founded in the 1920s and 1930s, the sector nowadays make up a fifth of the housing stock. Most of it concentrated to the cities, but also present in rural districts. The sector has its roots in former building societies which were independent of government although they received some support in order to provide decent and healthy accommodation for the working class. The Danish non-profit sector has remained independent, but has close links to local as well as central government: The sector is regulated in details by central government policies and directives, e.g. waiting lists, democracy and so on. The financial base is the principle of non-profit business; the sector provides modern and well maintained dwellings at the cost

of construction, operation and maintenance but no profits. This is the cost-related principle, which differs from the market principle where rents follow demand and supply. Non-profit housing is financed first of all by mortgages on market terms; the mortgages cover 88 % of the construction costs (including land), the local government 10 % and tenant's deposits 2 %. Each estate is considered an independent economic unit, i.e. there are no transfers between estates.

An upper limit for the building costs of non-profit housing is regulated annually; for 2015 the cap is 22.410 DKR for Greater Copenhagen and 18.030 DKR for rural districts and smaller towns. Local governments guarantee the part of mortgages above 65 % of building costs. However, in cases where rents are considered too high for tenants to afford and the tenant is eligible for housing benefit, the local authorities provide rental support to assist low income household. They typically take account of household income, household type/size, the size of the housing unit and the rent charged by the provider (it is not restricted to non-profit housing alone, but apply to all forms of rental housing). Cole and Etherington (2005, 79) stipulate that housing benefit covers around 32% of households in the sector. Newly constructed dwellings will normally be too expensive for people on public benefits despite eligibility of housing benefits. Moreover, recent upgrading of the older stock of non-profit housing has led to raising rents and thus makes it highly difficult for low-income household to afford the refurbished dwellings.

The main rule of housing allocation is that vacant dwellings are allocated to people according to time spent on the waiting list. Families are usually allocated in neighbourhoods with vacant units from which other families move out. They are usually less attractive areas in which rents are not so high. The waiting lists for the most popular estates can be several decades. In return of their co-funding of non-profit housing, local governments have the right to assign people in acute need of housing to 25 % of vacant dwellings (in City of Copenhagen 33 %). In this way, local governments are able to fulfil their obligation for solving housing problems instead of producing their own stock of housing reserved for social related issues. The backside of this rule has been an increased concentration of society's marginal groups, cf. below.

A major political decision on housing policy in Denmark was done in 1966, which included the establishment of *Landsbyggefonden* (The National Fund for Non-profit housing associations). This fund will receive the mortgages payments after the mortgages, which financed the building of an estate, have been paid back. The purpose of this fund is to co-finance major refurbishments and special efforts in deprived neighbourhoods.

The non-profit sector has through most of its existence been used as an economic regulator; in times of recession, the state has fuelled the construction activities within the sector by providing special financial support. More recently, the main activity has been refurbishment of the existing stock and area based programmes with a broad spectre of initiatives (both social and physical efforts). Nevertheless, the need for more non-profit housing has been challenged politically; in the 1980s a right-wing government set up an audit commission on Danish housing policy. The commission (Boligministeriet, 1987) recognised the important shift of the non-profit sector from provider of high quality housing for all to housing primarily the weakest group of society. This was considered as an outcome of various exclusionary process and the report can be taken as a first step towards an area based policy in Denmark.

Until at least the late 1970s, the non-profit sector had the reputation of high standard housing; all modern amenities, spacious dwellings, good maintenance and well kept outdoor spaces gave the sector a positive reputation. Furthermore, in the 1960s and 1970s in particular, the sector made new and unconventional housing forms in order to support new ways of living; the low-dense semi-collective living in some suburban districts around Copenhagen were extremely popular during the 1970s.

The non-profit sector ran into a serious image problem by the 1980s; in the first place an unlucky combination of construction problems and rising rents due to use of new materials during the building boom of the 1960s and early 1970s caused a need to rebuild and reconstruct parts of the newest and

more costly estates. As the only source for financing this repair were rents from tenants, they started to protest against the situation and rapidly growing rents made a lot of families move to private owned detached housing. In return, the loss from vacant units had to be covered by the remaining tenants, who again saw their rents increase. The vacant dwellings, many in newly build estates at the edge of the larger cities, then became target for immigrant labour who brought their family to Denmark; the Vejleåparken in Ishøj, 20 km south west of central Copenhagen, consisted of a large number of quite large dwellings. The housing association managed to attract a large group of Turkish workers; the outcome has been the largest concentration of immigrants with Turkish background in the country. A similar process went on in other large estates with a comparable background.

The non-profit sector ("*Almennyttig*", i.e. general/ for all) had originally a socially broad composition of tenants: Skilled and unskilled workers, clerks, public servants among others, many families and few retired people. The working class populations formed the majority of the tenants, but in social terms they represented an average of the population. During the relatively short period of 1970s and 1980s, this picture was dramatically changed. Still fewer tenants were employed and the households became marked by marginal groups: People on early retirement, long term unemployed, immigrants, singles and disabled; instead of a mixture of various social groups (Madsen & Hornstrup, 2000). The non-profit sector became avoided by a growing share of the population and turned into social housing sector despite many attempts to prevent this. Despite major efforts since the early 1990s, a number of estates have seen the share of particularly people with a third world background grow substantially and have both raised debates on 'ghettoisation' and rise of 'parallel societies'.

The non-profit sector expanded during the 1990s and has in general been stagnating in numbers since then; recently City of Copenhagen has started a new wave of construction of non-profit housing in order to be able to maintain a social balance in the new development sites in the harbour. After the major expansion to the 1980s, the sector has primarily spent its resources on refurbishment of existing stock, in particularly those estates with social challenges, and the area based plans for underprivileged neighbourhoods. Moreover, the sector experiences a growing number of vacant dwellings regions outside the larger cities; a part of the reason is the combination of a declining housing market and the cost-related non-profit sector: While private owned housing is forced to reduce prices in order to attract demand, the non-profit sector has to keep the existing rent level as it is based on the costs of building and operate the housing units. As a consequence, a gap between costs of living in non-profit rented and private owned housing has developed during the last decade.

Finally, the share of non-profit housing differs among local governments; some have more than 50 % of the housing stock in this sector, others less than 5 %: As there is a strong social gradient between different housing forms, this difference has a major impact on the social and economic situation in the individual municipalities. Those with the most favourable income and employment situation have the smallest share of non-profit housing and conversely. In Greater Copenhagen, the oldest part of the suburbs to the north developed as the upper and upper middle classes left the inner cities in the early 20th century attracted by the beauty of the landscape and easy access by train. The urban development of the western suburbs took place from world war two as a huge demand for housing, and in particularly better housing, had accumulated since the crisis of the 1930s. However, after WWII urban planning was introduced as a municipal obligation and central government promoted the rise of affordable housing for ordinary people by supporting the non-profit associations. The outcome was a series of planned suburbs and a high share of non-profit housing.

The relationship between non-profit associations and the hosting municipality has changed over the last decades; although the associations have tenant's democracy, they are under strict regulation from government offices. The decision to construct new housing units has been transferred to local governments, who in return have to finance 10 % of the building costs and from 1994 new constructions of housing demands accept from local government. The impact on local social and economic conditions in individual municipalities are influenced by the social composition of tenants in the non-profit estates; in order to make both associations and local governments more attentive on current tendencies and to become more proactive, the government introduced in 2010 a new principle

of management dialogue which commits all non-profit organisations and local governments to at least once annually to discuss state of social affairs in the non-profit estates and possibly agree on specific actions. The housing associations will usually present their budgets and planned, major improvements and related efforts.

### *The case of Copenhagen: Declining affordability in the non-profit sector*

Copenhagen differs in many senses from the rest of the country; it is the only true metropole in the country, it has passed through a deep industrial transformation decades before it began in the provinces and it has a much tighter housing market. The oldest part of the city had traditionally a high share of private rental housing (around 80 %); however, due to a variety of reasons this share has declined to now around a sixth of the housing stock. Since the 1960s a good deal of the private rentals have been transferred to home ownership or housing cooperatives. This has of course had impact of the access to housing in central Copenhagen and had slowly changed the socio-economic composition of the population. However, a large part of the housing units are relatively small dwellings (2 or 3 room flats) and not considered decent accommodation to families.

City of Copenhagen includes only the oldest and most central parts, all together about 80 km<sup>2</sup>, of the wider metropolitan area and today around 580.000 inhabitants against nearly 1, 9 million in metropolitan region. Copenhagen grew steady after WWII, but was severely hit by industrial restructuring from the 1960s and onwards: From hosting almost 250.000 jobs in manufacturing, workshops and construction industries, the employment declined quickly during the 1960s and 1970s and by the end of the 1980s less than 30.000. The outcome was a major recession, which furthermore hit the city as central government followed a strong regional decentralisation policy. As a result, Copenhagen became a city of low incomes, unemployment, obsolete housing stock and rising share of people on public benefits. Moreover, the stock of old and small dwellings made the new families flee the inner cities in favour of the modern suburban districts; during the period 1950 – 1980 Copenhagen lost nearly 300.000 inhabitants or nearly 2/5 of its population. Not average population, but the young, well educated and medium to high income families.

The fiscal gap due to rising demands for public welfare and declining incomes through taxation eventually forced the city to finance its running costs through loans – despite service reductions. In fact a good deal of the local politics revolved around the balance between investments in a better future and rising demand for services. It became clear at the end of the 1980s that the financial situation of the city was highly critical. In March 1990, the Danish parliament debated the situation and the need for central government initiatives.

Central government launched a plan for economic recovery of Copenhagen; a plan which had substantial social implications as well. In the first place, central government decided to invest massively in its own cultural institutions as well as in higher education. Moreover, a plan was presented for general upgrading of public transport, new infrastructure, which included both a bridge/tunnel to Sweden, rail line to Sweden via Copenhagen airport, general renewal of suburban train services and the construction of a new metro system. Finally, central government agreed to invest in a major transformation of the abandoned harbour spaces, which in turn triggered a round of private investments. However, the agreement between the city and central government did also demand something from the city: A new urban policy, which had to be much more proactive than hitherto; a policy with a stronger focus upon promotion of private business interests rather than general welfare issues. Finally, the city had to transfer some of its properties to central government in return of the infrastructure investments, including some 20.000 cheap dwellings.

City of Copenhagen transferred its stock of municipal owned housing to a new company, TOR, which should prepare the housing units for privatisation. This operation took several years as Danish legislation demands that a rental property for sale first have to be offered to the tenants if they should have the interest to form a housing cooperation. Due to specific conditions such an offer will normally

be of economic benefit for the residents. However, usually they have to finance the purchase of the housing property by expensive loans in a bank.

City of Copenhagen made a major change in its policy from around 1990; a real turn-around which included a change of the mindset of the employees. A careful check on existing policies and opportunities made the city government focus on two strategic areas: Urban planning and housing policy. A study showed that hitherto policies of building non-profit housing only increased the financial burdens of the city as the average new tenant would be eligible of housing and social benefits and would cost more than they would pay to the city. Furthermore, the relatively high inflow of new citizens did not improve the overall fiscal situation as the vast part of the new citizens left again as they finalised their education and began to work. Thus, it would be necessary to find ways of keeping the new, well educated citizens inside the municipal borders in order to benefit from their rising incomes. Yet, the vast majority of the city's housing stock consisted of small and obsolete dwellings. The outcome was a coherent strategy, which for the city and its fiscal situation proved successful in the long run: From 1995 the city government stopped construction of non-profit housing in central Copenhagen and demanded that new dwellings made for home ownership or by housing cooperatives had to be at least 95 m<sup>2</sup>. The latter would provide a critical mass of family suitable dwellings which could support the objective of having more middle class families in the city.

Additionally, the improvement of run down neighbourhoods, especially in the inner cities, was fuelled by a huge sum provided by the city and the state together. The result surpassed all expectations as the slum almost disappeared within a decade and transformed some of the former slum districts into highly attractive and expensive neighbourhoods. Vesterbro is a case in point; from being the district with the worst living conditions and hosting a large share of third world immigrants, abusers, criminals, prostitutes, the district became the trendiest place to live with some of the highest property prices. The transformation of the inner districts continued as the economy improved and a rising number of young, highly educated people working in creative businesses search for accommodation. The difference between the present and the past in social terms is striking.

Moreover, the city planners began a systematic screening of existing land use and the chances for shift in land use in the near future. The result was surprising and overwhelming; huge parts of abandoned manufacturing land were or would be ready for redevelopment within a short time and similar did the harbour areas – of which some were located in the middle of the city – contain huge opportunities for redevelopment. A gently estimate made it clear that available land could offer space for at least 100.000 more inhabitants. And that estimation did not include some of the larger but active parts of the harbour nor the rail land next to the city centre.

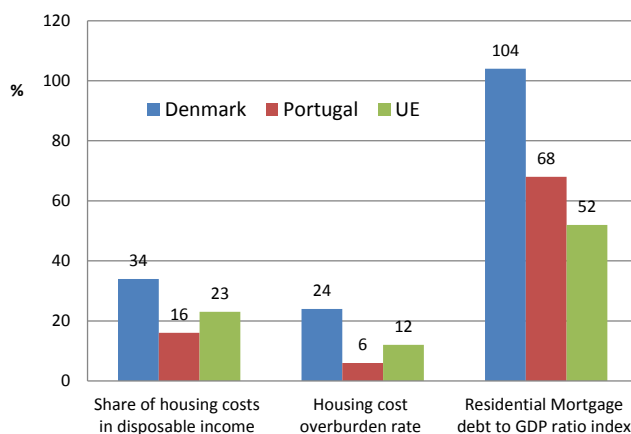
The shift in housing policy soon triggered a strong and lasting criticism of forcing through a gentrification at the costs of the poor citizens (cf. Larsen & Hansen, 2008; Jørgensen & Warming, 2000). Voices claimed that the city government had launched a class cleansing of the inner cities and in particular among students was the transformations received with protests and political opposition. However, with a population of just 460.000 and a housing stock marked by years of underinvestment the 1990s saw major improvements without the feared escalation of rents. Substandard housing in inner city districts could still be found at moderate rents.

Affordability has become a major political issue in Copenhagen; it appeared firstly at the election campaign for local governments in 2005. The social democratic candidate, Mrs. Ritt Bjerregaard, former minister of the Danish government and former member of the European commission, launched a programme for construction of Billige boliger, i.e. affordable housing. The programme was soon labelled “5 x 5” as it promised to deliver 5000 dwellings at 100 m<sup>2</sup> at a rent of 5000 DKR monthly. The years before that election experienced a sharp increase in housing prices and rents and at the same time began the population of the city to grow with one thousand new inhabitants monthly. Thus, rising demand and stable supply indicated rising costs of living. Although the new lord mayor cancelled the ban on non-profit housing, the increasing land values made it difficult to provide affordable housing even in the non-profit sector. Many at the margins of labour market found it difficult to cope with the rents of new dwellings.

Scanlon and Vestergaard (2007) observe that key workers, such as teachers and nurses, cannot afford the new social non-profit apartments in the city and between 2000 and 2005, housing speculation was responsible for an average increase in property prices close to 45% in Copenhagen (Kristensen, 2007). These rising costs did drive many young families to settle in the urban fringe of Copenhagen in order to find an affordable house suitable for a family. As the property prices peaked around 2006/7 a net migration from central Copenhagen to suburbs and rural districts took place and thus threaten to undermine the recovery policy of the city. However, as the credit crunch appeared in 2007 rising rents turned into decline and many properties lost up to a third of their values; suddenly a large number of housing became available for broad groups of society. Nevertheless, the affordability is still an issue as it is felt strongly by new households on the housing market and current upturn seems to be a repetition of the period ten to fifteen years ago.

Problems of affordability are confirmed by statistical data. The share of housing costs in disposable income is very high in Denmark and well above the EU average (Figure 3).

Figure 3 – Affordability in Denmark, Portugal and the EU average



Source: Pittini and Laino (2011)

There will always be a demand for inexpensive accommodation and the present situation in Copenhagen has several implications. The relatively low rents during the 1970s and 1980s reflect to a large degree the many small and obsolete dwellings: Many did not have their own bath facilities and a good deal had to share toilet with other tenants. Besides, central heating was missing and many were heated by petroleum. The slum has fortunately disappeared thanks to a huge investment made by taxpayers in the whole country and in the city of Copenhagen. Yet, a part of the costs of this upgrading have to be paid by those who benefit from it, i.e. the tenants of the refurbished housing. And as the improvements went on the number of worn out and therefore cheap dwellings are reduced in numbers. This makes it of course difficult to provide low cost housing in a number that can satisfy all demands.

The city of Copenhagen has together with other larger cities in Denmark managed to convince the government that rising prices is a threat to the intentions of providing non-profit housing in central cities. A new act allowing the local government to pay up to 25 % of the costs when constructing new non-profit housing had recently passed the parliament. It has become an official ambition for city of Copenhagen to provide at least 20 % non-profit housing in the new development areas. With the new act, the non-profit associations are able to purchase and build in some of the more expensive districts of the city. Earlier the city considered the chances to get a pendant to the English planning rules and force private investors to provide a certain share of new dwellings as affordable housing. However, this has been rejected politically at national level. The first units will be built in the north harbour area 2015/16.

The former rule of demanding housing units suitable for families, i.e. the claim of at least 95 m<sup>2</sup>, has been seriously criticized since the largest part of all households in Copenhagen consists of one person.

Consequently, the city will allow smaller housing units to be build just as the reduction in social benefits for younger people has triggered to test projects for small dwellings (around 25 – 30 m<sup>2</sup>) as contemporary accommodation.

## **Conclusions**

Comparative housing research has involved the discussion of housing policies and their effects upon housing outcomes in matters of tenure structures management, affordability, quality of the housing stock, etc.

Variations in general values and attitudes towards inequality and poverty explain differences in levels and purposes of state intervention (cf. Alves, 2015) and housing is a paradigmatic example of this. Whilst in Denmark governments have used housing to support social equality and high levels of social well-being, in Portugal this has been a distinctly weak pillar of public welfare provision and one of the most market-determined domains of social provision.

The aim of this paper is to provide a comparative analysis of the differences and similarities between the Danish and Portuguese housing systems, particularly in regard to the rental market: the non-profit and social housing sectors. A closer focus upon the circumstances that lead to significant changes in housing policy and its effects upon the social structure of the city and upon processes of social segregation, especially those rooted in socio-economic inequality, is presented for the cases of Copenhagen and Lisbon.

The data presented in this paper confirm that the quality and availability of rental housing in the Danish and Portuguese housing stock is remarkably distinct, not only in terms of rent-level mechanisms of allocation, but also in terms of the quality and characteristics of residents.

Whilst in Denmark the non-profit sector makes up 20% of the housing sector and about half of the rental sector; in Portugal the social housing sector is of minor size (3% of the total housing stock) and is restricted to low-income families. As a result, the level of segregation of social housing is quite high, leading to stigmatization for those accommodated by this tenure. Similar in size to the Danish sector, the Portuguese private rental sector is less segregated, with poor income families living near middle- income families, but it is strongly polarized in terms of rents and housing quality.

Whilst in Portugal the state takes the direct responsibility of providing and managing the social housing sector upon itself, in Denmark non-profit rental stock is owned and managed by the independent non-profit sector and has been used as an economic regulator and a promoter of high quality housing (modern amenities, spacious dwellings, good maintenance) and allocated according to time spent on the waiting list.

The sector is characterized by financial sustainability. There is an upper limit for the building cost which is regulated annually, and a cost-related principle in the setting of rents, with local authorities providing housing allowances to tenants who cannot afford them.

The social composition and reputation of the non-profit rental sector in Denmark has changed over time. Following a first phase characterized by diverse social composition, the non-profit sector has evolved to relative concentration of the most needy in the least attractive precincts of the housing stock. Although the majority of non-profit housing remains attractive for a broad category of the population, larger estates from 1970s and 1980s especially have turned into pockets of poverty and exclusiveness. These estates have dramatically worsened the reputation of the sector and have tended to be avoided by the middle class population. As the result of the construction of new high quality dwellings in attractive locations, for example, near the waterfronts and the city centres in larger cities, more recently middle and upper middle class families have returned to the city. However, the non-



profit sector has only to a smaller degree been able to take part in this 'back to the city'-movement owing to high land prices.

Although Copenhagen has managed to maintain a relatively large non-profit sector, the strong demand for housing in central Copenhagen, and the policy that from 1995-2005 banned the construction of non-profit in the city, not only increased rent levels, but also deepened social inequalities across different housing tenures and a few estates have become 'black spots'. At the same time, modernization of older dwellings has led to rising rents, putting these properties out of reach of low-income groups. This in turn prevents low-income groups from settling in the inner city.

Hence the process has shown signs of polarization. Whilst some areas are becoming more affluent, showing the predominance of middle-income families, other more affordable areas show an over-representation of needy families. The concentration of families with immigrant backgrounds in some neighbourhoods signals a rising correlation between housing tenure and segregation in Danish society, one that traditionally has shown remarkably low levels of segregation.

In the tight market of Copenhagen, where the middle class are unable to become home-owners and find it difficult to cope with rents in the new dwellings of the private market, the non-profit sector has once again become an attractive tenure, even though increasing land values in the city make it difficult to provide affordable housing for all. It is in this context that issues of affordability have become a major political and social problem in Copenhagen. In response to shortages of affordable housing and long waiting lists, the local authorities have assumed the political ambition of providing at least 20 % of non-profit housing in the new development areas, and increasing costs to support non-profit associations that should, therefore, be able to purchase and build in some of the more expensive districts of the city.

In sum, Copenhagen illustrates a classic trade-off between affordability and low growth on one side and on the other economic growth fuelled by increasing property values which in turn drives out the lower income groups from the city centre. It also shows that, whilst levels of social segregation are in general very low in Denmark generally, trends of social segregation have been observed in the capital between relatively poor and relatively rich neighbourhoods.

This paper arrives at different conclusions in the Portuguese case since Portugal remains one of the most unequal countries in the EU and the OECD (Alves, 2015, 20). According to recent statistical data, in 2010 on average 66% of Portuguese dwellings have both a bath or shower and hot running water and only 4% of dwellings have a central heating system, whilst in Denmark this represents 96 and 98% respectively (Pittini & Laino 2011, 15).

The most visible manifestation of economic inequality and major housing shortage is the proliferation of illegal settlements and poor housing conditions. The Portuguese government in the 1990s launched a massive programme of housing construction in the metropolitan areas of Lisbon and Porto to address the problem. However, by targeting people living in shanty towns and constructing new social housing in peripheral areas to rehouse them, this programme deepened trends of social and spatial segregation, and created problems related to the management, reputation, and financial viability of the new social housing estates.

In recent decades housing policies in Portugal have promoted a division of the housing market into sub-markets that address different social groups. Because the geographical distribution of this housing stock is uneven, the segmentation of the housing market has created increased segregation that in many cases also generates social exclusion and polarization. The effects of the sale of council houses for the residualization of the social housing sector in Portugal confirm this claim. The transfer of asset ownership from the state to individual households has created problems of management and economic sustainability in the most disadvantaged neighbourhoods. Meanwhile, the historic centres of Lisbon and Porto face problems of urban decline related to demographic ageing, poorly maintained buildings, and a high incidence of vacant buildings.

## References

- Alves S. (2010) *O Social, o Espacial e o Político na Pobreza e na Exclusão - Avaliação de iniciativas de regeneração de áreas urbanas 'em risco' na cidade do Porto*. PhD Thesis, Instituto Superior de Ciências Sociais, Lisbon University, Portugal.
- Alves S (2015) "Welfare State Changes and Outcomes: the Cases of Portugal and Denmark from a Comparative Perspective." *Social Policy & Administration*, Vol. 49 (1), 1-23.
- Andersen H S, Andersen H T and Ærø T (2000) "Social Polarisation in a segmented housing market: Social segregation in Greater Copenhagen", *Geografisk Tidsskrift / Danish Journal of Geography*, 100: 71-83.
- Andersen H T and Winther L (2010) "Crisis in the resurgent city? The rise of Copenhagen.", *International Journal of Urban and Regional Research*, 34 (3): 693-700.
- Abramsson M and Borgegård L (1998) "Changing welfare states and social housing: Consequences for spatial segregation - reviewed", *Scandinavian Housing and Planning Research*, 15 (3): 149-173
- Bengtsson B and Ruonavaara H (2011) "Comparative Process Tracing in Housing Studies", *International Journal of Housing Policy*, 11(4): 395-414.
- Boligministeriet (1987): Den almennyttige boligsektors rolle på boligmarkedet. København.
- Borg I (2014) "Housing deprivation in Europe: On the role of rental tenure types", *Housing, Theory and Society*, (ahead-of-print), 1-21.
- Cachado R A (2013) "O Programa Especial de Realojamento. Ambiente histórico, político e social", *Análise Social*, 206 (1): 134-152
- Falanga R (2014) Changes need change: A psychosociological perspective on participation and social inclusion.
- Guerra I, Marques Pereira S, Fernandes M, Botelho P, Marques P, Mateus A, Ferreira E. (2008) *Contributos para o Plano Estratégico de Habitação 2008/2013*. Relatório 1-Diagnóstico de dinâmicas e carências habitacionais.
- Haffner M., Elsinga M. and Hoekstra J. (2012) Access and Affordability: Rent Regulation, Elsevier, pp. 40-45.
- Harloe M. (1995) *The people's home? Social rented housing in Europe & America*, Oxford, Blackwell.
- Holmqvist E and Turner L M (2014) Swedish welfare state and housing markets: under economic and political pressure, *Journal of Housing and the Built Environment*, 29(2): 237-254.
- IHRU (2015) *25 anos de esforço do orçamento do estado com a habitação 1987-2011*, Lisboa: Instituto da Habitação e da reabilitação urbana.
- INE (2013) *O Parque Habitacional e a sua Reabilitação: análise e evolução 2001-2011*, Lisboa: INE/LNEC.

- Jørgensen, I & Warming, M (2000): Hvem skal bo i byen? Salt no 1, marts 2000.
- Larsen H G and Hansen A.L.(2008) "Gentrification-Gentle or Traumatic? Urban Renewal Policies and Socioeconomic Transformations in Copenhagen" *Urban Studies*, 45 (12): 2429-2448.
- Madsen, Bent og Martin Hornstrup (2000): Analyser af situationen på boligmarkedet. Boligselskabernes Landsforening. København.
- Malpass P (2011) "Path dependence and the measurement of change in housing policy." *Housing, Theory and Society*, 28(4), 305-319.
- Musterd S. and Ostendorf W. (2012) *Inequalities in European Cities*, University of Amsterdam, Elsevier Ltd., Amsterdam.
- Kleinhans R and Van Ham M. (2013) Lessons Learned From the Largest Tenure-Mix Operation in the World: Right to Buy in the United Kingdom. *Cityscape*, 101-117.
- Kemp P. (2011) Low-income tenants in the private rental housing market, *Housing Studies*, 26 (7-8), 1019-1034.
- Kemeny J (1995) *From public housing to the social market: Rental policy strategies in comparative perspective*. Routledge.
- Kristensen H (2007) *Housing in Denmark*, Centre for Housing and Welfare, Copenhagen: Realdania Reserch.
- Pinto T C and Guerra I (2013) Some structural and emergent trends in Social Housing in Portugal: Rethinking housing policies in times of crisis. *Cidades, Comunidades e Territórios*, 27: 1-21.
- Pittini A. and Laino E. (2011) *Housing Europe review 2012: the nuts and bolts of European social housing systems*, CECODHAS Housing Europe's Observatory.
- Ronald R (2013) Housing and welfare in Western Europe: Transformations and challenges for the social rented sector. *Journal of Land, Housing, and Urban Affairs*, 4(1): 1-13.
- Salgueiro T. B. (2001) *Lisboa, periferia e centralidades*. Celta Editora, Lisboa.
- Santos A, Teles N and Serra N (2014) *Finança e habitação em Portugal*. Cadernos do Observatório, 2.
- Scanlon K and Vestergaard H (2007) "Social housing in Denmark", in *Social Housing in Europe*. London, London School of Economics, edited by C. Whitehead and K. Scanlon, pp. 44-54.
- Taşan-Kok T., van Kempen R., Raco M. and Bolt G. (2013) *Divercities: Detailed research guidelines*. European Commission, Delft.
- van Gent W. P. C. and Musterd S. (2013) "Unintended effects of urban and housing policies on integration: 'White' discontent in the Dutch city", *Geography Research Forum*, 33, p. 64-90.
- Zwiers M., Bolt G., van Ham M., van Kempen R. (2014) *Neighborhood Decline and the Economic Crisis*, Discussion Paper No. 8749, Institute for the Study of Labor (IZA): Bonn.